

## Message Text

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ORIGIN OPIC-06

INFO OCT-01 AF-08 ISO-00 EB-08 AID-05 COME-00 TRSE-00  
/028 R

DRAFTED BY OPIC/F TPARNELL  
APPROVED BY EB/IFD/ OIA:RJSMITH  
F/AFR:BMHENDERSON  
EB/IFD/OIA:DHSTEBBING  
AF/C:REGRIBBIN

-----080104Z 112686 /15

P 072312Z APR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY KIGALI PRIORITY  
INFO AMEMBASSY NAIROBI PRIORITY

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FROM OPIC NAIROBI FOR PAUIZZA, PASS DIXON

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: TEA PROJECT

PASS ARCHER FROM WERTHEIM

1. RYT MARCH 31 PLEASED TO LEARN LTP/CTC PROPOSAL PROBABLY  
ACCEPTABLE. COST ESTIMATES: CTC: 15 INCH ROTORVANE KSHS  
79,500; L X 30 TRIPLEX CTC AND BALLBREAKER AND CONVEYORS -  
129,935 (SHOULD READ 1 X 30 TRIPLEX ETC) MOTORS - 66,000;  
TOTAL KSHS 275,435 AT 12 CENTS EQUALS US DOLLARS 33,052.20.  
TOTAL HORSEPOWER 75. THIS WITHOUT LATHE WHICH WOULD ADD  
85,000 KSH (THE PRICE OF CTC IS FOB NAIROBI). LTP: (15 HP)  
8 INCH ROTORVANE WITH CONVEYOR - US DOLLARS 3938.00; (60  
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HP) 1 LTP STERLING 5890.98 AT 1.72 EQUALS 10132.48. TOTAL  
CIF MOMBASA - US DOLLARS 14070.48; (2 HP) CONVEYOR (ABT)  
KSH 15,000 AT 12 CENTS (FOB MOMBASA) - 1800.00. TOTAL US  
DOLLARS 15870.48. TOTAL HORSEPOWER 77. LTP FAR LESS  
MAINTENANCE COSTS AND EQUAL OR BETTER QUALITY. FINANCIAL  
ADVANTAGE OBVIOUS. RIBANJE, MUNYARUKIKO SHOULD ALSO NOTE  
COST OF ADDING CTC NOT INCLUDED IN ORIGINAL PROJECTIONS AND

WILL PROBABLY NECESSITATE USE OF OVERRUN FUNDS INCREASING THEIR FINANCIAL COMMITMENT TO PROJECT. STILL FOR SAKE OF COMPROMISE ARE PREPARED TO PROVIDE BOTH SYSTEMS IF PARTNERS INSIST.

2. CONTRACTS. SINCE THIS ABSOLUTE REQUIREMENT FOR LOAN DISBURSEMENT, BOARD AGREEMENT MUST BE FOUND. ENGINEERS CONTRACT TO COMMENCE ON INSTALLATION SATISFACTORY. FOR BOYD-MOSS SUGGEST YOU PASS FOLLOWING MESSAGE FROM WERTHEIM TO RIBANJE WITH COPIES TO ALL CONCERNED (PLEASE TRANSLATE INTO GOOD FRENCH): "DEAR MR. RIBANJE: AS A RESULT OF MR. PARNELL'S VISIT I AM PLEASED TO SEE THAT WE ARE ABOUT TO RECEIVE SOME OF THE LENDERS FUNDS, THUS ENABLING US TO PROCEED WITH THE FURTHER PURCHASES OF EQUIPMENT AND MATERIAL. THE LENDERS HAVE BEEN MOST COOPERATIVE IN DEFERRING MANY OF THE PREPAYMENT CONDITIONS WHICH ARE NORMALLY PART OF ANY LOAN AGREEMENT OF THIS NATURE IN AN ENDEAVOR TO HELP THE PROJECT ALONG. WHAT THEY HAVE DONE AND ARE DOING IS VERY MUCH OUT OF THE ORDINARY AND IN SO DOING ARE DEMONSTRATING THEIR COMMITMENT TO THE PROJECT TO AN UNUSUAL EXTENT.

HOWEVER, THERE STILL REMAIN A FEW TECHNICAL DETAILS THAT ARE RECEIVING MR. ARCHERS ATTENTION AND ONE IMPORTANT REQUIREMENT ON WHICH I SOLICIT YOUR ASSISTANCE -- THE EMPLOYMENT CONTRACTS FOR THE FACTORY MANAGER AND THE FACTORY ENGINEER MUST BE APPROVED BY THE BOARD OF USINE BEFORE WE CAN RECEIVE ANY FUNDS FROM THE LENDERS. I APPRECIATE YOUR POINT REGARDING THE COMMENCEMENT OF THE LIMITED OFFICIAL USE

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CONTRACT AND AM PREPARED TO BE FLEXIBLE. HOWEVER THE POSITION IN THIS PROJECT IS SOMEWHAT DIFFERENT FROM THE NORMAL FACTORY CONSTRUCTION AND MACHINERY ERECTION OPERATIONS. HAD WE EMPLOYED AN OUTSIDE FIRM ON A TURNKEY BASIS, NEITHER THE MANAGER NOR THE ENGINEER WOULD BE NEEDED UNTIL PRODUCTION WERE READY TO START. HOWEVER, TO DO SO WOULD HAVE INCREASED THE COST OF THE FACTORY, ANCILLIARY BUILDING AND MACHINERY TO SUCH AN EXTENT THAT I FELT IT BEST TO LET SIRT/USINE ACT AS GENERAL CONTRACTOR. THIS MEANS THAT THEY HAVE TO LOOK AFTER ALL OF THE DETAILS AND REQUIRE THE NECESSARY STAFF TO DO SO EFFICIENTLY. I MYSELF HAVE SPENT A GOOD PORTION OF MY TIME ON THE DESIGN PHASE AND BASIC PLANNING OF THIS OPERATION, BOTH HERE, IN AFRICA, AND IN THE UK; BUT AT THIS POINT WE REQUIRE SOMEONE ELSE TO COORDINATE, PURCHASE, SUPERVISE AND EXPEDITE THE MANUFACTURE AND DELIVERY OF MATERIAL AND EQUIPMENT. IN MY VIEW MR. BOYD-MOSS IS THE MAN TO DO THE JOB. HE WILL ULTIMATELY RUN THE FACTORY AND INVOLVING HIM IN ALL OF THE CONSTRUCTION AND EQUIPMENT DETAILS AT THE BEGINNING CAN ONLY

CONTRIBUTE TO A BETTER FINISHED PRODUCT AT THE END. FURTHERMORE, TO MY WAY OF THINKING IT IS CRITICAL THAT THE WORK PROGRESS AS QUICKLY AS POSSIBLE. NOT BEING ABLE TO OBTAIN THE LENDERS' FUNDS HAS ALREADY PUT THE PROJECT BEHIND SCHEDULE BY ABOUT 12 MONTHS AND I AM SURE YOU'LL AGREE THAT ANYTHING THAT CAN BE DONE AT THIS STAGE TO MAKE UP FOR LOST TIME SHOULD BE DONE. HAVING MR. BOYD-MOSS INVOLVED IN AFRICA AT AN EARLY DATE WILL HASTEN THE COMPLETION TIME BY A NUMBER OF MONTHS. THE AMOUNT OF MONEY SAVED BY OCIR IN GREEN LEAF TRANSPORTATION COSTS ALONE SHOULD MORE THAN OFFSET THE COST OF EMPLOYING MR. BOYD-MOSS, NOT TO MENTION THE BENEFITS TO USINE THAT WILL ACCRUE AS A RESULT OF EARLIER COMPLETION. BESIDES ALL OF THIS THE PARAMOUNT POINT IS THAT THE AGREEMENT BY THE BOARD ON EMPLOYMENT CONTRACTS MUST BE ACHIEVED PRIOR TO THE DISBURSEMENT OF FUNDS SO I FEEL THERE REALLY IS NOT MUCH CHOICE.

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IT IS MY SUGGESTION THAT THE BOARD APPROVE THE ENGINEER'S AND FACTORY MANAGER'S TERMS OF CONTRACT, THAT BOYD-MOSS PROCEED TO AFRICA AT AN EARLY DATE TO BEGIN EXPEDITING EQUIPMENT, THAT THE COST BE PAID OUT OF THE SIRT DOLLAR FUNDS WITH THE UNDERSTANDING THAT ONCE THE EQUIPMENT IS ON SITE AND READY FOR INSTALLATION HE WILL BE EMPLOYED BY USINE UNDER THE TERMS OF THE CONTRACT AGREED UPON AT THIS STAGE.

I WOULD APPRECIATE YOUR VIEWS ON THIS MATTER AS QUICKLY AS POSSIBLE. SINCERELY." ARCHER, PLEASE EDIT THIS IN ANY WAY YOU SEE FIT.

3. REFERENCE 3 OF OPIC NOT NEW CONDITION. FAILURE OF RWANDAN EMBASSY WASHINGTON TO UPHOLD OBLIGATION HAS NECESSITATED SEEKING ALTERNATIVE WAYS OF SATISFYING WHAT HAS BECOME VERY IMPORTANT CP IN LIGHT PROBABLE NEED FOR OVERRUN FUNDS BASED ON ADDITION CTC LINE. POWER OF ATTORNEY FOR GATWA IS OCIR/T-RDB RESPONSIBILITY IN THAT HE SIGNED THE OVERRUN AGREEMENT ON THEIR BEHALF NOT FOR MINISTRY OF FOREIGN AFFAIRS WHO ARE NOT STOCKHOLDERS IN VENTURE.

4. YOUR TELEX FIFTH; BANK OF NEW YORK HAS CABLED BCR AS REQUESTED. STATUTE LIMITATIONS DISAPPOINTING. THEREFORE HOPE ABOVE LETTER WILL HELP. PLEASED TO SEE OTHER PROGRESS. DECLASSIFY UPON RECEIPT.  
VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PROGRAMS (PROJECTS), TEA, PUBLIC CORRESPONDENCE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 07-Apr-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Disposition Remarks:**  
**Document Number:** 1977STATE078332  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** F TPARNELL  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Message ID:** 0a1349a8-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN OPIC  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
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**SAS ID:** 2862855  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TEA PROJECT PASS ARCHER FROM WERTHEIM  
**TAGS:** EFIN, EPAP, RW  
**To:** KIGALI  
**Type:** TE  
**vdkgvkey:** odbc://SAS/SAS.dbo.SAS\_Docs/0a1349a8-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
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